

# EXHIBIT 7



P.O. Box 24523  
Oakland, CA 94623-1523  
Phone 888.335.2722  
Fax 877.548.1610

September 19, 2017

CRYSTAL SMITH  
314 E 8TH ST  
CUSHING, OK 74023

Re: Insured: SEAN SMITH  
Claim No.: 1002-25-9499  
Date of Loss: November 07, 2016

Dear Crystal Smith:

Thank you for entrusting CSAA Fire & Casualty Insurance Company ("AAA") with the insurance on your property. Based on the information available to us, and after carefully investigating the facts and circumstances of your claim, we regret to inform you that your insurance policy does not provide coverage for this loss. This letter explains the reasons for this decision.

In investigating the cause of damage, we contacted Lisa Holliday with Rimkus Consulting Group, to assess the damage to your property. After conducting an inspection, it was determined that the damage was caused by settling and improper construction to the foundation. While you do have the earthquake endorsement on your policy this loss was not caused by an earthquake. This is not something your policy covers.

Your policy includes coverage for the cost of repairing physical damage to your home and its other structures, if applicable, unless the damage or its cause is excluded or excepted from coverage by one or more provisions in the policy. Unfortunately, the damage detailed in the report is specifically mentioned in your policy as being excluded and/or excepted from coverage. Because of this, we are unable to provide coverage for this loss.

Coverage for your reported damages was declined based on the following exclusion(s) and/or exception(s) found in the policy. The policy states:

#### **SECTION I - PERILS INSURED AGAINST**

##### **A. Coverage A - Dwelling And Coverage B - Other Structures**

1. We insure against risk of direct physical loss to property described in Coverages A and B.
2. We do not insure, however, for loss:
  - a. Excluded under Section I - Exclusions;
  - c. Caused by:

...

**(6) Any of the following:**

**(a) Wear and tear, marring, deterioration;**

...

**(f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;**

#### **SECTION I - EXCLUSIONS**

B. We do not insure for loss to property described in Coverages **A** and **B** caused by any of the following. However, any ensuing loss to property described in Coverages **A** and **B** not precluded by any other provision in this policy is covered.

...

3. Faulty, inadequate or defective:

- a. Planning, zoning, development, surveying, siting;
- b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- c. Materials used in repair, construction, renovation or remodeling; or

of part or all of any property whether on or off the "residence premises".

AAA has provided you with sufficient information to put you on notice of the need to undertake necessary repairs to your property. While AAA unfortunately cannot agree to extend coverage for the cost of repairing the problem due to the language of the insurance policy, AAA nevertheless expects that you will undertake all necessary repairs so as to protect the property from future damage. Should you elect not to undertake the recommended repairs, AAA cannot be held liable for any further damage to the dwelling or other structures insured by AAA.

We hope this letter allows you to fully understand the basis for AAA's decision. If you believe that any of the information we relied upon in reaching our decision is inaccurate, if you have any additional information you would like us to consider as part of this claim, or if you have any further questions or comments, I'm eager to help. Please do not hesitate to contact me at the number below.

AAA continues to reserve any and all rights under the policy and the law, including but not limited to the right to rely upon additional exceptions, exclusions or conditions as the facts of this claim may warrant.

Please be advised that we reserve the right to raise any additional legal or factual basis supporting our decision to the extent permitted by law. If you have any additional information that you believe is relevant to your claim, please submit that information to us for our consideration.

Please note your insurance policy provides under **SECTION I - CONDITIONS, Suit Against Us**, that no action shall be brought against AAA unless there has been compliance with the policy provisions and the action is filed in a court of competent jurisdiction within two years after the date of loss or damage.

Thank you again for entrusting your home insurance to AAA.

Sincerely,

*Chad White Heckman*

Chad White Heckman  
Senior Homeowner Claims Specialist  
Phone: 888-335-2722 Ext.: 1022250